

Company Number 3229523

VICTORIA CENTRE NOTTINGHAM LIMITED

(FORMERLY INTU VICTORIA CENTRE LIMITED)

**DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

FRIDAY



AAG3U2GB

A03

29/10/2021

#270

COMPANIES HOUSE

VICTORIA CENTRE NOTTINGHAM LIMITED

CONTENTS

Directors and other information.....	2
Strategic report.....	3-4
Directors' report.....	5-8
Independent auditor's report.....	9-11
Statement of comprehensive income.....	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15-21

VICTORIA CENTRE NOTTINGHAM LIMITED

DIRECTORS AND OTHER INFORMATION

Directors

Jeremy Michael Jensen
Neil Jonathan Robson
Andrea Trozzi

Company Number

3229523

Registered Office

5 Churchill Place, 10th Floor
London
E14 5HU
*(Registered office changed from 40 Broadway London
SW1H 0BT on 15 October 2020)*

Company Secretary and
Registered Office

CSC Corporate Services (UK) Limited
5 Churchill Place, 10th Floor
London
E14 5HU
*(Intu Secretariat Limited resigned as secretary on 15
October 2020)*

Independent Auditor

BDO LLP
55 Baker Street,
London
W1U 7EU

Bankers

HSBC Bank PLC
8 Canada Square,
London
E14 5HQ

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the Strategic Report of Victoria Centre Nottingham Limited (the "Company") for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is to act as an investor in The Victoria Centre Partnership (the "Partnership") in which the Company holds a 99.9999% interest as sole limited partner. The Partnership owns Victoria Centre, Nottingham.

Business review

The Company and other companies in the group structure (the "Group" or "SGS") form a funding platform (Secured Group Structure) for holding assets in a flexible, ring-fenced security pool for the raising of bond and bank debt secured on it. The Company has historically been part of the intu Properties group. The Group currently owns and operates four shopping centres in the United Kingdom (the "Properties"): Lakeside, Victoria Centre and Atria Watford in England, and Braehead in Scotland. The acquisition and development of these assets were funded through a combination of external debt finance and intercompany debt and equity provided by other intu group companies.

The Company's results and financial position for the year ended 31 December 2020 are set out in full in the statement of comprehensive income, balance sheet, statement of changes in equity and the notes to the financial statements.

The result for the year was £nil (2019: £nil). Net liabilities at 31 December 2020 were £28.3 million (2019: net liabilities of £28.3 million).

In early 2020 a new coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organisation. COVID-19 has caused global disruption to consumers, businesses, economic activity, government policy and global equity and bond markets. The Properties and their tenants were subject to various trading restrictions throughout the year, including two separate periods of closure of all non-essential retail. This disruption exacerbated structural headwinds facing the UK retail market, and a number of the significant tenants have experienced financial difficulties.

Against this backdrop, on 26 June 2020 intu Properties plc, the ultimate parent company of the Company, went into administration, along with a number of intu subsidiaries. Neither the Company nor any other member of the Group entered administration, but these events created substantial disruption for the Group, which at the time relied on a number of the entities in administration for the provision of various services relating to the Properties.

Following the administration of intu Properties plc, the Company and all other entities in the Group appointed a new Board of Directors which took various steps to stabilise the Group's business, including the following:

- Third party asset managers, property managers and obligor cash managers were appointed, and the day-to-day management of the Properties was transitioned away from subsidiaries of intu Properties plc. A six month Transitional Services Agreement was agreed with intu Retail Services Limited (in administration), in order to ensure continuity of critical services.
- The short-term financial stability of the Group needed to be secured. On 27 August 2020, the Company entered into a master amendment agreement with, among others, the Obligor Security Trustee and the Issuer Trustee (the "Master Amendment Agreement") implementing certain waivers and forbearances in respect of certain Finance Documents. This included a waiver of all covenant breaches and defaults until 31 December 2020 and an agreement that interest due on all external borrowings between July 2020 and December 2020 would be capitalised and not paid in cash.

Following implementation of the above actions, the position of the Group was stable as at 31 December 2020, and no formal default under the Finance Documents had occurred and was continuing unwaived.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Financial key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Future developments and events after the reporting date

COVID-19 has continued to cause disruption to the operations of the Properties in 2021, with non-essential retail required to close again between 4 January 2021 and 12 April 2021 (in England) and between 25 December 2020 and 26 April 2021 (in Scotland). As at the date of this report, however, all of the Properties are open with restrictions at a much lower level.

The Group has achieved a successful operational migration away from the intu group and is now operating on a standalone basis. The Group, supported by its Asset Manager and Property Manager, has adopted a proactive and collaborative approach with tenants, which has resulted in rent collections increasing to c.70% in respect of Quarter 3 2021, notwithstanding the ongoing uncertainty in the retail sector and the wider economy. A large number of significant lease agreements have been reached both with new and existing tenants.

Three master amendment agreements have been entered into since the reporting date, dated 19 January 2021, 16 March 2021 and 16 July 2021, respectively. The first two of these contained various waivers and forbearance which were designed to ensure that no event of default arose under the Finance Documents while the Group negotiated the terms of a long-term financial restructuring with its creditors. The master amendment agreement dated 16 March 2021 also contained provisions for the interest due on all of the Group's borrowings on 17 March 2021 to be capitalised, rather than paid in cash.

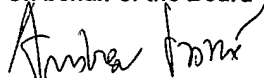
On 18 June 2021 the Group launched a Consent Solicitation (the "Fifth Consent Solicitation"), which included the terms and implementation of its long-term financial restructuring plan, including £112 million of investment in capital projects to facilitate new lettings and support occupancy levels, supported by £86.9 million of new Super Senior New Money. The Fifth Consent Solicitation achieved the required levels of support from the Group's lenders, and the Fifth Master Amendment Agreement was signed on 16 July 2021.

In September 2021 the Company, along with various other members of the Group, signed heads of terms with intu Properties plc and various other subsidiaries of the intu Group (the "Intu Parties") on an agreement for i) the settlement and release of various outstanding intercompany balances between the Group and the Intu Parties; and ii) the consensual transfer of 100% of SGS Holdco Limited's share capital from Intu (SGS) Topco Limited to a new holding company independent of the intu Group. The transaction is subject to approval of the Group's creditors, via a negative consent process. Assuming not more than one third of the Noteholders and Term Lenders object to the negative consent process, the settlement and release of the intercompany balances and the transfer of the equity are expected to be completed by 30 October 2021.

Principal risk and uncertainties

The Company is a wholly owned subsidiary within the Group. The Company faces largely those risks and uncertainties faced by the Group. The Group categorises its principal risks and uncertainties using the following categories: Financing, Property Market, and Operations. The ongoing Covid-19 pandemic has heightened some of the Group's principal risks, including those relating to the investment property market, which is influenced by both macroeconomic and retail specific factors, and the Group's operational risk, particularly in respect of health and safety. These risks and uncertainties, including financial risks and the management thereof, are disclosed in the SGS Holdco Limited consolidated financial statements.

On behalf of the Board



Andrea Trozzi

Director

27 October 2021

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2020.

The Company is incorporated and registered in England and Wales (company number 03229523). The Company's registered office is 5 Churchill Place, 10th Floor, London, E14 5HU.

Dividend

No dividend was paid in the current or prior year. The directors do not recommend a dividend for 2020.

Financial risk management

The financial risks of the Company are managed at a Group level as disclosed in the SGS Holdco Limited consolidated financial statements.

Capital management

The directors consider the capital of the Company to be the ordinary share capital of £96.4 million (2019: £96.4 million). Management of this capital is performed at a Group level.

Going concern

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation. In making this assessment the directors have considered that the Company's going concern status is intrinsically linked to the prospects of the group of companies to which it belongs (the "Group"), the parent company of which is SGS Holdco Limited. The principal activities of the Group are investment, management and development of shopping centres.

The impact of COVID-19 on the UK retail and real estate industries has been significant, and is reflected in the valuation of the property and rental income of the Group which have resulted in a significant negative equity position for the Group at 31 December 2020. Against this backdrop, on 26 June 2020 *intu Properties plc*, the ultimate parent company of the Company, went into administration.

However, as described in the Strategic Report, the Group has, since the administration of *intu Properties plc*, been in proactive discussions with both tenants and all classes of creditor, and has developed a three year business plan for the current market environment. On the basis of this business plan, on 16 July 2021 the Company, amongst others, became party to the Fifth Master Amendment Agreement, which gave effect to a financial restructuring of the Group. Amongst other terms, the Fifth Master Amendment Agreement removed the requirement for interest on any of the Group's debt to be paid in cash, unless the Group has sufficient excess cash to fund such payments. The financial covenants under the Finance Documents (with which the Group was not able to comply from 30 June 2020 onwards) were also removed and replaced with i) a revised loan to value covenant, which reflects the reduction in the valuation of the properties during 2020 and will be tested for the first time on 31 December 2021; ii) a minimum Net Rental Income covenant, which has been set based on the Group's three year business plan and will be tested for the first time on 31 March 2022; and iii) a minimum liquidity covenant, including cash and undrawn facilities, of £5 million, which was tested for the first time (and passed) on 30 June 2021. The financial forecasts supporting the business plan indicate that the Group should be able to remain compliant with these covenants throughout the business plan period.

The Fifth Master Amendment Agreement extended, where necessary, the maturity of all debt facilities until at least 31 March 2024, providing the Group with a clear runway to execute its business plan and ultimately sell the properties. As part of the financial restructuring, the Group also secured £86.9 million in Super Senior New Money, to fund the execution of its business plan.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Going concern (continued)

The Company's net liabilities at 31 December 2020 of £28.3 million included amounts owed to SGS Holdco Limited of £28.3 million under a subordinated intercompany loan agreement. SGS Holdco Limited has indicated to the Company, subject to the provisions of the financing documentation which governs the Group's external borrowings (the "Finance Documents"), that it has no intention of demanding repayment of these balances unless the Company has sufficient liquidity to fund such a repayment.

As such, based on the stable footing provided by the recent financial restructuring, the current cash position and the forecasts indicating the continued liquidity of the Group for the three year business plan period, the directors consider that the going concern basis of preparation is appropriate for the Company's financial statements, and that there exists no material uncertainty as to the Company's ability to continue as a going concern.

Subsequent events

Relevant subsequent events are described in the Strategic Report and in note 10 to the financial statements.

Charitable and political donations

The Company did not make any political or charitable donations during the financial year (2019: £nil).

Directors

The names of the persons who were directors at any time during the financial year ended 31 December 2020 and subsequently are set out below:

Jeremy Michael Jensen	(Appointed on 1 December 2020)
Neil Jonathan Robson	(Appointed on 1 December 2020)
Andrea Trozzi	(Appointed on 27 August 2020)
Robert Lee Allen	(Appointed 10 June 2019; resigned 15 April 2020)
Martin Richard Breeden	(Appointed 15 April 2020; resigned 1 December 2020)
Sean Crosby	(Appointed 16 August 2019; resigned 15 April 2020)
Colin Flinn	(Appointed 15 April 2020; resigned 19 November 2020)
Hugh Michael Ford	(Appointed 3 November 2011; resigned 15 April 2020)
Kathryn Anne Grant	(Appointed 15 April 2020; resigned 19 November 2020)
Minakshi Kidia	(Appointed 16 August 2019; resigned 15 April 2020)
Trevor Pereira	(Appointed 13 August 2010; resigned 31 January 2020)
Edward Matthew Roberts	(Appointed 13 August 2010; resigned 15 April 2020)
Rebecca Ryman	(Appointed 15 April 2020; resigned 19 November 2020)

Intu Secretariat Limited resigned as secretary on 15 October 2020. CSC Corporate Services (UK) Limited was appointed as secretary on 15 October 2020.

The directors and their immediate relatives and the company secretary did not hold an interest in any shares of the Company as at 31 December 2020 or at any time during or since the financial year ended.

Directors' Indemnity Provision

A qualifying third party indemnity provision (as defined in S234 of the Companies Act 2006) is in force for the benefit of the directors of the Company during the financial year and at the date of the approval of the financial statements. The Group maintains directors' and officers' insurance which is reviewed annually.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Streamlined Energy and Carbon Reporting ("SECR")

As the company has no employees and primarily conducts its business at the offices of the Company Secretary the Company is not directly responsible for the consumption of electricity and gas in the UK, nor is the Company responsible for greenhouse gas emissions related to transport in the UK.

As the Company did not consume more than 40,000 kWh of energy during the year ended 31 December 2020, it has nothing to report under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018.

Independent Auditor

Deloitte LLP have resigned as Auditors of the Company and BDO LLP have been appointed to act as Auditors in accordance with Section 485 of the Companies Act 2006.

Statement of disclosure of information to auditors

The directors confirm that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



Andrea Trozzi
Director
27 October 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VICTORIA CENTRE NOTTINGHAM LIMITED**

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Victoria Centre Nottingham Limited (the "Company") for the year ended 31 December 2020 which comprise the income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VICTORIA CENTRE NOTTINGHAM LIMITED**

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to the applicable law and regulations, including fraud.
- We communicated identified laws and regulations and potential fraud risks throughout our team and remained alert to any indications of non-compliance or fraud throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VICTORIA CENTRE NOTTINGHAM LIMITED**

Auditor's responsibilities for the audit of the financial statements (continued)

- We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements including, but not limited to, the Companies Act 2006.
- We addressed the risk of fraud of management override of controls by testing the appropriateness of journal entries and other adjustments and assessing whether the judgments made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business, we focused on any journal entries posted with unusual account combinations or unexpected journal postings to the income statement.
- Our tests included agreeing the financial statement disclosures to underlying supporting documentation and reviewing relevant Board meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof. We challenged the estimates and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



A89F3BF78D8C49C...

Christopher Young (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, United Kingdom

28 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

VICTORIA CENTRE NOTTINGHAM LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £m	2019 £m
Result for the year	4	-	-
Other comprehensive income			
Revaluation of investments		-	(49.3)
Total comprehensive loss for the year		-	(49.3)

There are no items of income or expenditure other than disclosed in the Statement of comprehensive income above and accordingly an income statement has not been prepared.

The notes to the financial statements on pages 15 to 21 form an integral part of the financial statements.

VICTORIA CENTRE NOTTINGHAM LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2020**

	Note	31-Dec-20 £m	31-Dec-19 £m
Non-current assets			
Investments	6	-	-
Total assets		-	-
Current liabilities			
Trade and other payables	7	(28.3)	(28.3)
Total liabilities		(28.3)	(28.3)
Net liabilities		(28.3)	(28.3)
Equity			
Share capital	8	96.4	96.4
Accumulated losses		(124.7)	(124.7)
Total equity		(28.3)	(28.3)

The notes to the financial statements on pages 15 to 21 form an integral part of the financial statements.

The financial statements of Victoria Centre Nottingham Limited (registration number: 3229523) were approved and authorised for issue by the Board of Directors on 27 October 2021 and signed on its behalf by:



Andrea Trozzi
Director

VICTORIA CENTRE NOTTINGHAM LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £m	Accumulated losses £m	Total equity £m
At 1 January 2019	96.4	(75.4)	21.0
Loss for the year	-	(49.3)	(49.3)
Total comprehensive loss for the year	-	(49.3)	(49.3)
At 31 December 2019	96.4	(124.7)	(28.3)
At 1 January 2020	96.4	(124.7)	(28.3)
Loss for the year	-	-	-
Total comprehensive loss for the year	-	-	-
At 31 December 2020	96.4	(124.7)	(28.3)

The notes to the financial statements on pages 15 to 21 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 General information

Reporting entity

Victoria Centre Nottingham Limited (formerly into Victoria Centre Limited) (the 'Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 2.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

These financial statements are presented in pounds sterling (£) which is the currency of the primary economic environment in which the Company operates.

Statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and have been prepared in accordance with the requirements of the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Company has taken advantage of certain disclosure exemptions in FRS 101 as its financial statements are included in the publicly available consolidated financial statements of SGS HoldCo Limited. Copies of those consolidated financial statements can be obtained from SGS Holdco Limited at 5 Churchill Place, 10th Floor, London, E14 5HU.

In preparing these financial statements the Company has taken advantage of the following disclosure exemptions available under FRS 101, and therefore the financial statements do not include:

- certain comparative information as otherwise required by IFRS
- disclosures in relation to the objectives, policies and process for managing capital
- a statement of cash flows
- disclosures in respect of financial instruments
- disclosures in respect of IFRS 13 fair value measurement
- disclosure of related party transactions
- the effect of future accounting standards not yet adopted

The above disclosure exemptions have been adopted because equivalent disclosures are included in SGS Holdco Limited consolidated financial statements into which the Company is consolidated. A summary of the significant accounting policies as applied to the Company is set out below.

Except as described above, the accounting policies are consistent with those applied in the last annual financial statements, as amended when relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year.

2 Adoption of new and revised standards

New and revised Standards and Interpretations in issue

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the Company.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 Significant accounting policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2020 are set out below.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

Going concern

The directors have prepared the financial statements on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and will have adequate funds available to meet its obligations as they fall due.

In considering the appropriateness of this assumption, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to cease trading and place the Company into liquidation. In making this assessment the directors have considered that the Company's going concern status is intrinsically linked to the prospects of the group of companies to which it belongs (the "Group"), the parent company of which is SGS Holdco Limited. The principal activities of the Group are investment, management and development of shopping centres.

The impact of COVID-19 on the UK retail and real estate industries has been significant, and is reflected in the valuation of the property and rental income of the Group which have resulted in a significant negative equity position for the Group at 31 December 2020. Against this backdrop, on 26 June 2020 intu Properties plc, the ultimate parent company of the Company, went into administration.

However, as described in the Strategic Report, the Group has, since the administration of intu Properties plc, been in proactive discussions with both tenants and all classes of creditor, and has developed a three year business plan for the current market environment. On the basis of this business plan, on 16 July 2021 the Company, amongst others, became party to the Fifth Master Amendment Agreement, which gave effect to a financial restructuring of the Group. Amongst other terms, the Fifth Master Amendment Agreement removed the requirement for interest on any of the Group's debt to be paid in cash, unless the Group has sufficient excess cash to fund such payments. The financial covenants under the Finance Documents (with which the Group was not able to comply from 30 June 2020 onwards) were also removed and replaced with i) a revised loan to value covenant, which reflects the reduction in the valuation of the properties during 2020 and will be tested for the first time on 31 December 2021; ii) a minimum Net Rental Income covenant, which has been set based on the Group's three year business plan and will be tested for the first time on 31 March 2022; and iii) a minimum liquidity covenant, including cash and undrawn facilities, of £5 million, which was tested for the first time (and passed) on 30 June 2021. The financial forecasts supporting the business plan indicate that the Group should be able to remain compliant with these covenants throughout the business plan period.

The Fifth Master Amendment Agreement extended, where necessary, the maturity of all debt facilities until at least 31 March 2024, providing the Group with a clear runway to execute its business plan and ultimately sell the properties. As part of the financial restructuring, the Group also secured £86.9 million in Super Senior New Money, to fund the execution of its business plan.

The Company's net liabilities at 31 December 2020 of £28.3 million included amounts owed to SGS Holdco Limited of £28.3 million under a subordinated intercompany loan agreement. SGS Holdco Limited has indicated to the Company, subject to the provisions of the financing documentation which governs the Group's external borrowings (the "Finance Documents"), that it has no intention of demanding repayment of these balances unless the Company has sufficient liquidity to fund such a repayment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

3 Significant accounting policies (Continued)

Going concern (continued)

As such, based on the stable footing provided by the recent financial restructuring, the current cash position and the forecasts indicating the continued liquidity of the Group for the three year business plan period, the directors consider that the going concern basis of preparation is appropriate for the Company's financial statements, and that there exists no material uncertainty as to the Company's ability to continue as a going concern.

Investments

Investments are fair value investments in equity instruments intended to be held for an indefinite period and are initially and subsequently measured at fair value. Fair value is determined via reference to the Company's share of the net assets of the investment.

The Company has made an irrevocable election under IFRS 9 to include gains or losses arising from changes in fair value of equity instruments in other comprehensive income. Accumulated gains and losses in respect of these investments will not be recycled to profit or loss upon disposal of the equity instruments.

Financial liabilities

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:

- Borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

3 Significant accounting policies (Continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income.

Deferred balances are recognised on temporary differences where the carrying amount of an asset or liability differs from its tax base, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption within one year of the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes and expected to be settled within one year of the reporting date, plus demand loans with no specified date of repayment. All other liabilities are classified as non-current liabilities.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with the Company's accounting policies requires the use of judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these judgements and estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those judgements and estimates.

- key sources of estimation uncertainty

A key source of estimation uncertainty exists over the valuation of investments due to the inherent subjectivity involved in valuing investments for which traded market prices are not freely available.

- critical accounting judgements

Going concern – when preparing the financial statements, management is required to make an assessment of the entity's ability to continue as a going concern and prepare the financial statements on this basis unless it either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. As set out above in going concern, there are no events or conditions that indicate a material uncertainty exists in relation to going concern.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020
4 Result for the year

The result for the year of £nil (2019: £nil) did not include any amounts in respect of auditor's remuneration of £22,173 (2019: £13,687) in respect of the audit of the financial statements, which were settled on behalf of the Company by SGS Holdco Limited and have not been recharged. No non-audit services were provided during the current or prior year.

The directors did not receive or waive any emoluments (2019: £nil) in respect of their services to the Company.

There were no employees during the year (2019: none).

5 Taxation

The tax expense for the year is the same as (2019: the same as) the standard rate of corporation tax in the UK.

	2020 £m	2019 £m
Result for the year	-	-
Result for the year multiplied by the standard rate of tax in the UK of 19% (2019: 19%)	-	-
Effects of:		
Expenses not deductible for tax purposes	-	0.1
Partnership profits/(losses) taxed in company	1.6	(10.9)
Transfer pricing adjustment	-	(0.3)
Group relief (without payment) claim	(0.3)	(0.1)
REIT exemption – corporation tax	-	(0.7)
REIT exemption – deferred tax	(1.8)	11.9
Corporate interest restriction disallowance	0.5	-
Tax charged in the financial statements	-	-

The rate of Corporation Tax in the United Kingdom is due to increase from 19% to 25%, with effect from 1 April 2023.

6 Investments

	2020 £m	2019 £m
At 1 January	-	49.3
Revaluation	-	(49.3)
At 31 December	-	-

The Company's investment is a fair value investment and reflects a 99.9999% holding in The Victoria Centre Partnership¹, which owns Victoria Centre, Nottingham. This interest is accounted for as a fair value investment as the Company does not have control, joint control or significant influence over the Partnership. The management and control of the Partnership is the exclusive responsibility of its general partner.

Fair value investments are categorised as Level 3 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

6 Investments (continued)

Fair value hierarchy

- Level 1: Valuation based on quoted market prices traded in active markets.
Level 2: Valuation techniques are used, maximising the use of observable market data, either directly from market prices or derived from market prices.
Level 3: Where one or more inputs to valuation are unobservable. Valuations at this level are more subjective and therefore more closely managed, including sensitivity analysis of inputs to valuation models. Such testing has not indicated that any material difference would arise due to a change in input variables.

Transfers into and transfers out of the fair value hierarchy levels are recognised on the date of the event or change in circumstances that caused the transfer. During the year there were no changes in circumstances that resulted in a transfer between levels.

¹ The entity's registered office is 5 Churchill Place, 10th Floor, London, E14 5HU.

7 Trade and other payables

	2020 £m	2019 £m
Amounts owed to group undertakings	<u>28.3</u>	<u>28.3</u>

Amounts due to group undertakings are unsecured, interest free and payable on demand.

8 Share capital

	2020 £m	2019 £m
Issued, called up and fully paid		
96,445,496 (2019: 96,445,496) ordinary shares of £1 each	<u>96.4</u>	<u>96.4</u>

9 Ultimate controlling party

The ultimate parent company is intu Properties plc (in administration) (registered number: 03685527), a company incorporated and registered in England and Wales. The registered address of the entity is C/O Interpath Advisory Limited, 15 Canada Square, London, E14 5GL). The immediate parent company is SGS 2020 Limited (registered number 08355675), a company registered in England and Wales. The registered office of this entity is 5 Churchill Place, 10th Floor, London, E14 5HU.

10 Subsequent events

The following subsequent events are relevant to the Company by virtue of the fact that it is a subsidiary of SGS Holdco Limited (referred, together with its subsidiaries, as the "Group").

Three master amendment agreements to the legal documentation which governs the Group's borrowings have been entered into since the reporting date, dated 19 January 2021, 16 March 2021 and 16 July 2021, respectively. The first two of these contained various waivers and forbearance which were designed to ensure that no event of default arose under the Finance Documents while the Group negotiated the terms of a long-term financial restructuring with its creditors. The master amendment agreement dated 16 March 2021 also contained provisions for the interest due on all of the Group's borrowings on 17 March 2021 to be capitalised, rather than paid in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

10 Subsequent events (continued)

On 18 June 2021 the Group launched a Consent Solicitation (the "Fifth Consent Solicitation"), which included the terms and implementation of its long-term financial restructuring plan, including £112 million of investment in capital projects to facilitate new lettings and support occupancy levels, supported by £86.9 million of new Super Senior New Money. The Fifth Consent Solicitation achieved the required levels of support from the Group's lenders, and the Fifth Master Amendment Agreement was signed on 16 July 2021.

In September 2021 the Company, along with various other members of the Group, signed heads of terms with intu Properties plc and various other subsidiaries of the intu Group (the "Intu Parties") on an agreement for i) the settlement and release of various outstanding intercompany balances between the Group and the Intu Parties; and ii) the consensual transfer of 100% of SGS HoldCo Limited's share capital from Intu (SGS) Topco Limited to a new holding company independent of the intu Group. The transaction is subject to approval of the Group's creditors, via a negative consent process. Assuming not more than one third of the Noteholders and Term Lenders object to the negative consent process, the settlement and release of the intercompany balances and the transfer of the equity are expected to be completed by 30 October 2021.